

RECORDATION NO. 24901-C FILED

MAY 20 '04 3:43 PM

SURFACE TRANSPORTATION BOARD

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ELIAS C. ALVORD (1942)  
ELLSWORTH C. ALVORD (1964)

OF COUNSEL  
URBAN A. LESTER

May 20, 2004

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Assignment and Assumption Agreement, dated as of May 20, 2004, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Assignment previously filed with the Board under Recordation Number 24901-B.

The names and addresses of the parties to the enclosed document are:

Seller: Babcock & Brown Rail Funding LLC  
c/o Babcock & Brown LP  
230 Park Avenue  
New York, NY 10169

Buyer: BBRM Title Holding SPC #2 LLC  
c/o Babcock & Brown LP  
230 Park Avenue  
New York, NY 10169

Mr. Vernon A. Williams  
May 20, 2004  
Page Two

Head Lessor: Lloyds TSB Equipment  
Leasing (No. 5) Limited  
C/o Lloyds TSB Leasing  
25 Gresham Street  
London EC2V 7HN  
England

Head Lessee: North America Rail Leasing  
#2 LLC  
(d/b/a Babcock & Brown Rail Leasing)  
c/o Babcock & Brown LP  
230 Park Avenue  
New York, NY 10169

A description of the railroad equipment covered by the enclosed document  
is:

451 gondola cars PSTX 1001 – PSTX 1451

A short summary of the document to appear in the index follows:

Memorandum of Assignment and Assumption Agreement

Also enclosed is a check in the amount of \$30.00 payable to the order of  
the Surface Transportation Board covering the required recordation fee.

Kindly return one stamped copy of the enclosed documents to the  
undersigned.

Very truly yours,



Robert W. Alvord

RWA/anm  
Enclosures

RECORDATION NO.

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SURFACE TRANSPORTATION BOARD

EXECUTION VERSION

# MEMORANDUM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS MEMORANDUM OF ASSIGNMENT AND ASSUMPTION AGREEMENT, dated as of this 20th day of May, 2004, is among Babcock & Brown Rail Funding LLC, a Delaware limited liability company (the "Seller"), BBRM Title Holding SPC #2 LLC, a Delaware limited liability company (the "Buyer"), Lloyds TSB Equipment Leasing (No. 5) Limited, a limited liability company incorporated under the laws of England and Wales (as assignee of BBRM Sub #1 LLC) (the "Head Lessor") and North America Rail Leasing #2 LLC (d/b/a Babcock & Brown Rail Leasing), a Delaware limited liability company (the "Head Lessee" and, together with the Seller, the Buyer and the Head Lessor, the "Parties"). Capitalized terms used herein and not otherwise defined shall have the meaning ascribed thereto in the Assignment (as defined below).

## KNOW ALL PERSONS BY THESE PRESENTS THAT:

WHEREAS, the Parties have entered into that certain Assignment and Assumption Agreement dated as of May 20, 2004 (the "Assignment") covering the equipment listed on Schedule A hereto (the "Equipment") and, in respect of the Equipment, the Lease of the Equipment and the prior assignment of the Lease (all as described in (a) the Assignment and Assumption Agreement filed on April 30, 2004, and (b) the Head Lease (COMBI I) described in a Memorandum of Head Lease dated the date hereof to be filed concurrently herewith) (collectively, the "Lease Documents");


WHEREAS, the Parties wish to show for the public record the existence of the aforesaid Assignment and the respective interests therein of the Parties and accordingly the Parties have caused this memorandum to be executed by their respective duly authorized officers, as of the date first above written.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties, by this instrument, the Seller transfers and assigns to the Buyer, the Buyer transfers and assigns to the Head Lessor and the Head Lessor assigns to the Head Lessee all of their respective rights and obligations under the Lease Documents, and each of the Parties hereto confirms and accepts such terms and conditions as set forth above, which are incorporated by reference as if fully set forth herein.

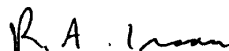
[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this instrument has been duly executed by the Parties  
hereto as of the date first above written.

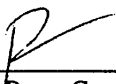
BABCOCK & BROWN RAIL FUNDING LLC, as  
Seller

By:   
Name: Ross Sullivan  
Title: Vice President

LLOYDS TSB EQUIPMENT LEASING (NO. 5)  
LIMITED, as Head Lessor


By:   
Name: Robin A. Isaacs  
Title: Attorney-in-fact

NORTH AMERICA RAIL LEASING #2 LLC  
(d/b/a BABCOCK & BROWN RAIL LEASING),  
as Head Lessee

By:   
Name: Bruce Carusi  
Title: Vice President

[MEMO OF A&A]

BBRM TITLE HOLDING SPC #2 LLC, as Buyer

By:   
Name: Lawrence E. Littlefield  
Title: Vice President

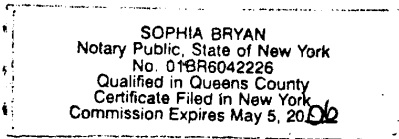
[MEMO OF A&A]

State of NEW YORK     )  
                                      )  
County of NEW YORK    )

On this, the 18<sup>th</sup> day of May, 2004, before me, a Notary Public in and for said County and State, personally appeared Ross Sullivan, a Vice President of Babcock & Brown Rail Funding LLC, who acknowledged himself to be a duly authorized officer of Babcock & Brown Rail Funding LLC, and that, as such officer, being authorized to do so, he executed the foregoing instrument for the purposes therein contained.

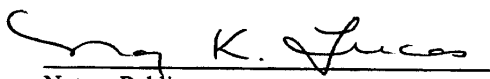
In Witness Whereof, I have hereunto set my hand and official seal on the date above mentioned.

Name: Sophia Bryan  
          Notary Public  
My Commission Expires: May 5, 2006  
Residing in: New York



STATE OF NEW YORK       )  
                                      )  
COUNTY OF NEW YORK    )

On the 19<sup>th</sup> day of May in the year 2004 before me personally came Robin Alexander Isaacs to me known, who, being by me duly sworn, did depose and say that he resides at 25 Gresham Street, London EC2V 7HN; that he is the Head of Legal and Assistant Company Secretary of Lloyds TSB Equipment Leasing (No. 5) Limited, the entity described in and which executed the above instrument; and that he signed his name thereto by authority of the board of directors of said corporation.

  
\_\_\_\_\_  
Notary Public

[Notarial Seal]

Nancy K. Lucas  
Notary Public, State of New York  
NO. 02119284788  
Qualified in Nassau County  
Certificate filed in New York County  
Commission Expires June 30, 2007

State of NEW YORK )

County of NEW YORK )

On this, the 18<sup>th</sup> day of May, 2004, before me, a Notary Public in and for said County and State, personally appeared Bruce Carusi, a Vice President of North America Rail Leasing #2 LLC (d/b/a Babcock & Brown Rail Leasing), who acknowledged himself to be a duly authorized officer of North America Rail Leasing #2 LLC (d/b/a Babcock & Brown Rail Leasing), and that, as such officer, being authorized to do so, he executed the foregoing instrument for the purposes therein contained.

In Witness Whereof, I have hereunto set my hand and official seal on the date above mentioned.

Name: Sophia F.  
Notary Public

My Commission Expires: May 5, 2006

Residing in: New York

SOPHIA BRYAN  
Notary Public, State of New York  
No. 01BR6042226  
Qualified in Queens County  
Certificate Filed in New York  
Commission Expires May 5, 2006

[MEMO OF A&A]



State of NEW YORK       )  
                                      )  
County of NEW YORK     )

On this, the 18<sup>th</sup> day of May, 2004, before me, a Notary Public in and for said County and State, personally appeared Lawrence E. Littlefield, a Vice President of BBRM Title Holding SPC #2 LLC, who acknowledged himself to be a duly authorized officer of BBRM Title Holding SPC #2 LLC, and that, as such officer, being authorized to do so, he executed the foregoing instrument for the purposes therein contained.

In Witness Whereof, I have hereunto set my hand and official seal on the date above mentioned.

Name: Sophia Bryan  
Notary Public

My Commission Expires: May 5, 2006

Residing in: New York

SOPHIA BRYAN  
Notary Public, State of New York  
No. 01BR6042226  
Qualified in Queens County  
Certificate Filed in New York  
Commission Expires May 5, 2006

Schedule A  
(to Memorandum of Assignment and  
Assumption Agreement)

EQUIPMENT


Four hundred fifty-one (451) 2004 built, AAR Code J311, 4520 CF aluminum coal Gondola railcars, 286,000 GRL, built by Johnstown America.

Reporting Marks & Numbers: PSTX 1001-1451, inclusive.

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: May 20, 2004

  
\_\_\_\_\_  
Robert W. Alvord